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1 April 1959

Mr. Roger G. Seely, Chief
Foreign Broadcast Information Service
2430 E Street, N.W.
Washington 25, D.C.

Dear Roger:

Subject: Okinawa Land Rentals

My teletype message OM 706 of 24 March announcing a drastic upward revision of our land rental charges for FY 1959 must have been a very unwelcome surprise for you. Unfortunately, the attached letter from Mr. J.E. Walther, Chief, Real Estate Division, OKED, has more bad news. According to a decision of the High Commissioner, certain Ryukyuan landowners will be entitled to a ten-year advance rental. Present estimates indicate some 48% of all landowners may be eligible for this advance rental. Therefore, we are suddenly informed that we must be prepared in FY 1960 to meet nearly half of our entire rental bill for the next ten years! In subsequent fiscal years -- i.e. FY 61 - FY 70 -- we would only have to pay the remaining portion of the rentals due for each year. (This would amount to about [redacted] annually.) However, for FY 60 we may be required to pay [redacted]

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As soon as I received this rather startling letter, I immediately saw Mr. Walther, the Real Estate Division Chief, to get more information and background on this matter. In the course of two meetings with him and his staff, I made it quite clear that I was not in any way challenging the amount of money nor even the policy of advance payment. After all that is a decision of the High Commissioner and U.S. Government agencies operating on Okinawa have no choice but to comply. However, I did feel that some sort of advance warning ought to have been given Government agencies thus permitting proper budget and fiscal planning. To be confronted in the last quarter of the current fiscal year with such a sharply increased fiscal requirement is disconcerting, to say the least.

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The Real Estate staff were most apologetic and admitted I had a legitimate complaint. They pointed out, however, that this whole matter has been -- and still is -- in a state of flux and that very little firm information has been available. However, they did think that the word was passed verbally and informally at two meetings last December to expect a considerable increase.

[redacted] as well as the IBS Administrative Officer, attended both meetings in question. They were concerned solely with the validation of long-term land requirements. No mention whatever was made of rental changes. (At one meeting, they distributed a secret document dated 24 December 1958, subject: "Validation of Long-term Land Requirements in the Ryukyu Islands." A copy was forwarded to FBIS headquarters at the time.)

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I have made a very careful study of this matter and am convinced that the Bureau was in no way negligent. We, and other non-Department of Defense agencies were not properly forewarned. IBS, for example, received no more warning than we. Since my arrival, I have discussed the land problem with many people, including the High Commissioner himself. Never once was the possibility of a drastic increase in rentals mentioned. [redacted] is exceptionally alert on this type of thing. (Witness his excellent review of encroachment problems submitted to you in January.) There were apparently some vague references in the press late last year, but nothing at all substantial. Of course, it must be said in fairness to the military that they have obviously not been in a position to give any firm estimates.

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There is one bright note. The figures for FY 60 look a bit worse than they will probably actually turn out to be. Walther told me quite off - the - record that probably not more than 20 to 25% of land-owners will be found eligible for ten-year prepaid rentals. Nevertheless, planning must proceed on the basis that 48% will be eligible. Therefore, I am adjusting our FY 60 budget estimates to reflect the worst possible contingency.

Sincerely,

[redacted]
Chief, FBIS Okinawa Bureau

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Enclosure:

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